specified by the Secretary in addition to the 10 diagnosis-related groups originally selected under this policy.

The Conferees are concerned that Medicare may in some cases be overpaying hospitals for patients who are transferred to a post acute care setting after a very short acute care hospital stay. The Conferees believe that Medicare's payment system should continue to provide hospitals with strong incentives to treat patients in the most effective and efficient manner, while at the same time, adjust PPS payments in a manner that accounts for reduced hospital lengths of stay because of a discharge to another setting.

The Conferees expect that the application of the Transfer policy to 10 high volume/high post-acute use DRGs will provide extensive data to examine hospital behavioral effects under the new transfer policy

THE CRA SUNSHINE ACT OF 1999

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1999

Mr. McCOLLUM. Mr. Speaker, I am pleased to introduce the CRA Sunshine Act of 1999. This is a modest effort to reform the Community Reinvestment Act (CRA) and bring more openness to it.

CRA groups have reported over $9 billion in cash payments received or pledged by banks as a result of CRA activities. A total of $694 billion in CRA commitments have been made or pledged due to CRA. While these pledges are made and collected as a direct result of federal legislation, the details of these payments are often unknown because many agreements include confidentiality clauses. Congress never intended that CRA dollars be used for anything other than investing in low and moderate income areas. There is concern that some CRA dollars are being used by CRA activists to pay for consulting fees, hiring contracts, administrative fees, and other nonloan activities. By shining light on the details of agreements made pursuant to CRA, this Act would remove the mystery from deals between banks and CRA organizations while ensuring that CRA truly benefits those that it was designed to benefit.

I encourage my colleagues to join me in supporting this important legislation.

INTRODUCTION OF THE BANKING PRIVACY ACT

HON. JAY INSLEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1999

Mr. INSLEE. Mr. Speaker, I rise today, with many of my colleagues, to introduce the Banking Privacy Act. We recognize the threat to consumer privacy and want to return control over an individual's personal financial information back to the consumer.

My constituents are shocked when I tell them that their banking transaction experiences are not private. With certain exceptions, financial institutions may legally share all of the information about you and your bank account activity with affiliated businesses—or anyone else, for that matter. This shared information includes the amount of each check that you write, to whom each check is written, the date of each check, the amount and date of any deposits into your account, and any ''outside information'' available, such as information submitted on your initial application for an account. Under existing law, financial institutions are not obligated to honor your request to restrict the dissemination of this personal information.

I became interested in banking privacy laws after reading a letter from a constituent who was upset about his bank's plans to share his private financial records. I was shocked to learn of the stunning absence of statuary protections of consumer privacy. Suppose banks, insurance companies, and securities firms become affiliated, something that will occur more frequently in the future. Will a bank tip off affiliated stock brokers every time their consumers have a sudden increase in their bank account balance, causing the consumer to be subjected to even more telemarketing calls? Will banks ''profile'' their customers after reviewing their financial information, then have affiliates telemarket products to those customers? Will life insurance companies affiliated with banks review personal checking records for indications of risky behavior, then increase rates based on that information? Under current law, there is nothing to prevent these types of situations.

As Congress moves to modernize the financial services industry and allow the lines between banks, securities firms, and insurance companies to blur, financial institutions gain a new profit incentive by sharing customers' personal financial information. Customers who prefer to keep their financial information private have no recourse.

The Banking Privacy Act is a first step to return control over an individual's personal financial information back to that consumers. The Act applies to federally insured depository institutions, their affiliates and financial institutions covered under the Bank Holding Company Act.

Currently, under the Fair Credit Reporting Act, banks must disclose to their customers their privacy policies to customers and make allowances to opt-out of certain types of information sharing practices. Specifically excluded from this law is customer ''transaction and experience'' information.

Transaction and experience information is information about a checking or savings account, information contained on an account application, or even purchasing patterns deduced through a customer's checking account—''account profiling.'' Transaction and experience information may be shared with affiliated companies or even sold to third parties for marketing purposes. There is no law to prevent such activity from taking place.

The information is currently used to market financial services to customers based on their financial patterns. Banks routinely perform this type of information sharing. However, as we move to modernize the financial industry, there will be greater demand for this type of personal account information to market products and services to a targeted group of consumers.

For example, it is not impossible to imagine that a bank holding company learned that a customer received a life insurance settlement and then made that information available to a securities firm or data broker to market services to that customer. While many consumers will appreciate the benefit of this information sharing, the decision to share the information belongs in the hands of the consumer and not the financial institution.

Customers should be able to opt-out of information sharing policies in their banks and financial institutions. The Banking Privacy Act will require banks and financial institutions to disclose their privacy policies and allow consumers to opt-out of information sharing plans—including transaction and experience information.

The Banking Privacy Act will not affect the routine operations of a bank. There are specific exemptions in the bill relating to the day to day practices that banks have in place which do not impact consumer privacy. The bill will protect consumers from unwanted marketing based on their intimate financial details and give consumers control over the use and sharing of their financial information.

Federally insured depository institutions have an obligation to help take a stand for consumer privacy. The government provides a safety net for the banks in the form of insurance and safety provisions. These same banks have to provide a safety net for taxpayer privacy.

Financial privacy should not be sacrificed at the altar of financial industry modernization. Americans have the right to freedom of speech and freedom of religion, and we ought to have the right to freedom from prying eyes into our personal financial business. Financial institutions should not be allowed to share private financial information without customer consent. The Banking Privacy Act is a necessary and practical response to the erosion of financial privacy and the potential explosion in cross-marketing among affiliated financial institutions.

I want to also thank and commend my colleagues for joining me as cosponsors of the Banking Privacy Act. Representatives MICHAEL CAPUANO, BOB FILNER, MAURICE HINCHEY, JOSEPH HOEFFEL, PAUL KANJORSKI, BARBARA LEE, JIM McDERMOTT, LYNN RIVERS, BERNIE SANDERS, JAN SCHAKOWSKY and PETE STARK have all cosponsored this bill and I appreciate their assistance.

I urge my colleagues to support and pass the Banking Privacy Act.

IN MEMORY OF PAUL N. DOLL

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1999

Mr. SKELTON. Mr. Speaker, it is with deep sadness that I inform the House of the death of Paul N. Doll of Jefferson City, Missouri.

Paul Doll was born on April 4, 1911, in Hamilton, Missouri, a son of Ernest E. and Emma Louise Colby Doll. He was a 1928 graduate of Hamilton High School and a 1932 graduate of Kidder Junior College. He received a bachelor's degree in 1936 and a master's degree in 1937 in agricultural engineering from their University of Missouri-Columbia. In 1984, he received an honorary doctorate from the University of Missouri.

Doll's career in public service and agriculture began immediately after his graduation in 1937. He was a county extension agent